



## Legislative Bulletin.....October 10, 2007

### Contents:

#### **H.R. 2895**—Amendments to the National Affordable Housing Trust Fund Act

H.R. 2895, the National Affordable Housing Trust Fund Act (sponsored by Rep. Barney Frank, D-MA), is scheduled to be considered on the House floor on Wednesday, October 10, 2007, subject to a structured rule ([H.Res. 720](#)), making in order the following eight amendments, each debatable for ten minutes, except where indicated.

**NOTE:** RSC Chairman Hensarling's amendment that would have prevented the Affordable Housing Fund from being capitalized by additional non-appropriated revenues transferred or credited to the Fund was not made in order by the Rules Committee. Amendments submitted by RSC Members Tom Price (R-GA) and John Doolittle (R-CA) were also not made in order, though the substance of the Doolittle amendment and one of the Price amendments (regarding legal residency) was added on to the first Frank amendment listed below.

The rule waives all points of order against consideration of the bill, except those regarding PAYGO and earmarks, waives all points of order against the bill itself—except PAYGO—and allows the Chair to postpone consideration of the legislation at any time during its consideration. The rule allows one motion to recommit with or without instructions.

Note: The summaries below are based on RSC staff's review of *actual amendment text* (and thus differ from what's on the Rules Committee website). For a summary of the underlying bill, see a separate RSC document released yesterday.

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### AMENDMENTS MADE IN ORDER

#### **1. Frank (D-MA):**

- Establishes a state minimum allocation percentage for the Affordable Housing Fund, under which every state would receive at least 0.5% of the total funds available each year that are allocated to states, Indian tribes, and insular areas;
- Provides that the local jurisdiction in each state that is to receive the largest amount by formula in such state would be entitled to receive such funds directly, notwithstanding the bill's provision that jurisdictions entitled to less than \$750,000 by formula would have their funds reverted to their state in any year that nationwide funding is less than \$2 billion;

- Clarifies that the mixed income limitation capping the number of units initially rented to extremely low income families at 50% applies to all of the units in a project, not just those units assisted by trust fund dollars.
- Provides that the exception to the mixed income rule applies to all “elderly only” projects, not just those projects of 25 or fewer units;
- Provides that nothing in the bill would allow any payments under the bill for any individual or head of household that is not a legal U.S. resident; and
- Makes a few technical changes.

**2. Frank (D-MA):** Allows a grantee to use up to 10% of its funds for project operating accounts to cover shortfalls for projects assisted with trust fund dollars, to facilitate affordability for families below the Supplemental Security Income (SSI) income limit.

**3. Hastings (D-FL):** Provides that the homeownership counseling criteria include counseling regarding financial literacy, strategies to save money, qualifying for a mortgage loan, methods to avoid predatory lenders and foreclosure, and any requirements and costs for obtaining flood or other disaster-specific insurance.

**4. Inslee (D-WA):** Includes among the factors for consideration in selecting applicants to receive Trust Fund grant amounts a consideration of the extent to which the design, construction, and operation of the housing reduces utility costs for residents.

**5. Woolsey (D-CA):** Allows grantees to give preference on owner-occupied housing grants to public employees, including first responders, public safety officers, and teachers, who cannot afford to live in high-cost areas, subject to the income eligibility requirements in the underlying bill.

**6. Langevin (D-RI):** Directs the Secretary of Housing and Urban Development to establish an internet-based “Green Housing Clearinghouse,” including best practices, technical recommendations, and other informational material regarding green building techniques. Grantees would be required to self-certify how many of the total units they built, preserved, or rehabilitated with money from the Fund were “green.”

**7. Van Hollen (D-MD):** Requires that previous grant recipients applying for new grants include in their applications progress reports for projects for which they used funds in the previous fiscal year.

**8. Neugebauer (R-TX): Amendment in the Nature of a Substitute.** Establishes a National Affordable Housing Grant Fund program, very similar to that established in the underlying bill, but within HUD’s existing HOME program. The main difference with the program in the underlying bill is that the Neugebauer program would not be a stand-alone program, funded by GSE and FHA revenues, but instead would be a program funded only by direct appropriations from Congress specifically for the HOME Program. Additionally, the underlying bill aims to construct, rehabilitate, or preserve at least 1.5 million affordable dwelling units over the next decade; the Neugebauer program would reduce this goal to 750,000 units. (20 minutes)